

Market view

Intelligent approach to PR19

Operational intelligence using geographical information systems allows water companies to constantly evolve their plans to meet the challenges from customers and regulators, says Kevin Doughty.

Companies operating in the utilities sector have been consistently challenged by regulators to improve and bolster the customer experience they offer. Unsurprisingly, the 2019 price review (PR19), while also having a financial dimension to it, has a customer-centric feel. Ofwat has said it plans "to deliver PR19 in a way that is customer-focused, long term and incentivises companies to innovate and be ambitious".

Today's water utilities have, and are constantly generating, a huge amount of data that needs to be analysed and visualised both internally and, where appropriate, to be shared with customers. Success in rising to the challenges of PR19 will increasingly depend on having access to insight based on the latest information and intelligence to help drive the customer focus, enable channel-shifting and to inform a more innovative approach to customer service.

Leading water companies which are known for the quality of their customer service are taking an operational intelligence approach, implemented with an underlying enterprise technology known as geographical information systems (GIS). Andy Nicholson, asset data manager at Wessex Water, explains it like this: "The more information you can provide, and the more engagement you can deliver, the more positive a customer is going to feel about your organisation. We can tell people on a live chat, for example, what's happening in their local vicinity and when we will be working in their area next. Operational intelligence means you can take the information you hold and create a richer experience for your customers."

Real-time understanding

Operational intelligence, facilitated by GIS, enables a near real-time understanding of where you are now and an analysis of change over time that leads to better operational and strategic decision-making. This means a water company can plan ahead proactively to minimise costs and disruption to customers.

The example given by Nicholson gives a good example of a water utility that has effectively used GIS and operational intel-

ligence to improve the customer experience it offers, and to go beyond that and give the real-time information customers need.

Innovation and digital transformation won't happen overnight because long-term growth objectives and performance strategies need to be insight-led. However, implementing operational intelligence incrementally will enable the required transformation at a manageable pace, delivering the actionable insight required throughout the transition.

Reducing bills and ensuring that billing is fair and accurate are going to be the key to rising to the PR19 challenge. Water companies need to deliver those improvements in customer service while at the same time making operating efficiencies that reduce costs. That could involve channel-shifting, alternative asset maintenance methodologies, routing resources more efficiently and much more.

Informing strategic decisions

Severn Trent Water is a good example of a water company that, since implementing a GIS solution, is able to use its data to make more informed strategic decisions about asset replacements, and the company can also prevent potential asset failures from occurring and therefore avoid the added cost and inconvenience of emergency repairs.

In terms of customer service, at the same time, the GIS solution supports an operational intelligence approach whereby live data feeds directly into the customer support team. Severn Trent engineers make updates in the field to the status of the water supply in the catchment area, which are immediately visible to all 4,500 employees. This means the customer service team will have an instant response for any customers contacting the company to ask about any issues with their water supply – using the information gathered from the in-field engineers.

Every business needs information to inform any decision they make. Capturing and utilising data in the present clearly has a benefit when responding to live issues, but also, if managed correctly, has the added

benefit of educating businesses about common trends to consider when planning and preparing the business, customer or pricing strategies in the future.

Constantly evolving plans

When it comes to planning for PR19, the insight that water companies have collected and analysed over a period of months and years will help to inform a better decision on any new pricing and customer service strategies following the review. But if companies can continuously assess data in a live environment, then they can ensure that any strategy is constantly and dynamically reviewed, rather than being static and potentially limiting.

This element of analysis, based on continuously refreshed information, allows water companies to be dynamic in the face of a changing regulatory landscape. The focus on the customer and the price they should pay for their water supply will continue to be placed firmly alongside the need to develop further a culture of putting the customer first. This is the challenge that Ofwat is setting for water utilities.

In summary, PR19 does pose challenges for the UK's water companies, but it will ensure a continued focus on the customer. A changing mindset, and ensuring that future planning is initiated from the outset, are both key elements to the preparation that water companies must take ahead of PR19.

The essential point is that utility companies are dependent on up-to-date information to help them plan the service they offer their customers. The benefits that an operational intelligence approach provides, in particular using location information through a GIS platform, mean plans can be constantly evolved to keep pace with the challenges they face from customers and regulators alike.

It can also, through the live information about any issues customers are facing, coupled with a speedy response time because of this real-time data, satisfy the main objective of PR19 – to put the customer first and offer a great all-round service.

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